

Exhibit 1

Exhibit A

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Page 1

1 UNITED STATES DISTRICT COURT
2 SOUTHERN DISTRICT OF TEXAS
3 HOUSTON DIVISION

4 IN RE ALTA MESA § CASE NO. 4:19-CV-00957
5 RESOURCES, INC. §
6 SECURITIES LITIGATION §

7 ***CONFIDENTIAL***
8

9 REMOTE AND VIDEOTAPED DEPOSITION OF
10 WILLIAM WALLACE MCMULLEN
11 JUNE 6, 2023
12

13 REMOTE AND VIDEOTAPED DEPOSITION OF WILLIAM
14 WALLACE MCMULLEN, produced as a witness at the
15 instance of the Plaintiff and duly sworn, was taken
16 in the above styled and numbered cause on Tuesday,
17 June 6, 2023, from 8:37 a.m. to 10:37 p.m., before
18 TAMARA CHAPMAN, CSR, RPR-CRR in and for the State of
19 Texas, reported remotely by computerized stenotype
20 machine in Austin, Texas, pursuant to the Federal
21 Rules of Civil Procedure and any provisions stated
22 on the record herein.
23
24
25

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20 Q. When the -- the business combination
21 closed in February of 2018, what -- what
22 consideration did Bayou City receive as a result of
23 its investments in -- in High Mesa?

24 A. We received stock in AMR.

25 Q. How much stock did it receive?

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1 A. We received 100 percent stock
2 consideration. So it must have been approximately
3 that \$701 million worth of AMR stock.

4 Q. At -- was that at the -- the \$10 per
5 share price?

6 A. I believe so, yes.

7 Q. So it was probably 70.1 million shares of
8 Alta Mesa Resources' stock?

9 A. That -- that would be my best guess, yes.

10 Q. Did Alta Mesa receive -- or excuse me --
11 not Alta Mesa. Did Bayou City Energy receive any
12 cash consideration as a result of the business
13 combination?

14 A. We did not.

15 Q. There -- there was some cash that flowed
16 to Kingfisher Midstream as a result of the business
17 combination. Correct?

18 A. That's correct.

19 Q. And -- and did some of that cash flow to
20 High Mesa as a partial owner of Kingfisher
21 Midstream?

22 A. Yes, it did.

23 Q. Do you recall how much cash flowed to
24 High Mesa -- High Mesa, Inc. as a result of the
25 business combination?

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1 A. I don't recall. It was material.
2 Hundreds of millions.

3 Q. Was -- was any of that cash distributed
4 to BCE as a -- as an owner of Kingfisher midstream
5 through its High Mesa, Inc. investments?

6 A. Zero.

7 Q. Do you recall who it was distributed to?

8 A. Yes. High -- Highbridge, HPS, and ARM.

9 Q. Do you recall the dollar value of the
10 cash that flowed through to Highbridge slash HPS?

11 A. I -- I -- I don't know exactly. It was
12 hundreds of millions.

13 Q. What about for -- for ARM Energy? Any
14 recollection of the cash consideration that flowed
15 through to ARM Energy?

16 A. No, but it -- no, but it was hundreds of
17 millions.

18 Q. Anyone else other than -- that Highbridge
19 slash HPS or ARM Energy that -- that took out cash
20 from the -- the Kingfisher midstream side of the
21 equation to the best of your recollection?

22 MR. YOUNG: Objection, form of the
23 question.

24 A. Not to my knowledge.

25 Q. Do you recall that there was cash --

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1 excuse me -- cash consideration to Alta Mesa
2 Holdings as a result of the business combination?

3 A. I don't believe so, but I can't -- I
4 can't recall.

5 Q. Suffice to say if there was any cash --
6 cash consideration of Alta Mesa Holdings, none of it
7 flowed through to BCE?

8 A. That's correct.

9 Q. The -- excuse me. The business
10 combination was announced in August of 2017. Right?

11 A. I believe that's right, yes.

12 Q. And it ultimately closed in February
13 of 2018. Correct?

14 A. Yes.

15 Q. Over the course of those few months from
16 August of '17 to February of 2018, was Bayou City
17 expecting to receive cash from the business
18 combination?

19 A. No. From the outset of our negotiations
20 with Silver Run, Bayou City intended to roll
21 100 percent of its equity into the public company
22 fully aligning ourselves with the public
23 shareholders.

24 Q. Did -- did Bayou City have -- have plans
25 to liquidate its shares in Alta Mesa Resources after

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1 the business combination?

2 A. Not at all. And, in fact, we ended up
3 buying more shares on the open market at some point
4 before the company went bankrupt.

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[REDACTED]

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[REDACTED]

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6 and projections and be able to assess that. We were
7 a shareholder, along with public shareholders, and
8 we were all investing together in the public
9 enterprise. And this really was my early days of
10

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1 (Exhibit 565 was marked.)

2 A. I'm sorry, Mr. Browne, which exhibit do
3 you want me on?

4 Q. It should be numbered 565?

5 A. I've got that.

6 Q. Take a look at that then. And while you
7 do that, for the record, Exhibit 565 is a two-page
8 email chain. The first page in the exhibit is
9 Bates-stamped BCEM_0126564. The -- the last part of
10 that chain or the most-recent-in-time part of the
11 chain is from Mark Stoner to you, Mr. McMullen, it's
12 dated March 26th of 2018.

13 A. Yep. I've -- I've looked at this.

14 Q. Is Exhibit 565 familiar to you?

15 A. It is.

16 Q. What is Exhibit 565?

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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[illegible]

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1 THE DEFENDANTS: Object to form.

2 Objection to form.

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
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Gender	Percentage
Male	50%
Female	50%

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[illegible]

Category	Value
Category 1	Value 1
Category 2	Value 2
Category 3	Value 3
Category 4	Value 4
Category 5	Value 5
Category 6	Value 6
Category 7	Value 7
Category 8	Value 8
Category 9	Value 9
Category 10	Value 10
Category 11	Value 11
Category 12	Value 12
Category 13	Value 13
Category 14	Value 14
Category 15	Value 15
Category 16	Value 16
Category 17	Value 17
Category 18	Value 18
Category 19	Value 19
Category 20	Value 20
Category 21	Value 21
Category 22	Value 22
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Category 96	Value 96
Category 97	Value 97
Category 98	Value 98
Category 99	Value 99
Category 100	Value 100

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21 Q. Do you have an understanding of who was
22 responsible for providing KFM connections that were
23 used in the -- the proxy that was filed in January
24 of 2018?

25 THE DEFENDANTS: Object to form.

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1 Objection to form.

2 A. Now, you said KFM connections? Did you
3 mean something else?

4 Q. If I said connections, I meant
5 projections.

6 A. Okay.

7 Q. Who was responsible for providing KFM
8 EBITDA projections that were presented in the proxy
9 that was filed in January of 2018?

10 THE DEFENDANTS: Objection; form.

11 Object to form.

12 A. No.

13 Q. Okay. It wasn't -- it wasn't ARM Energy?

14 THE DEFENDANTS: Objection; form.

15 Object to form.

16 A. I'm sure they had a say in it given that
17 they were the management team of Kingfisher
18 Midstream.

19 Q. Do you think HPS had a say in it?

20 THE DEFENDANTS: Objection; form.

21 Object to form.

22 A. I'm not sure.

23 Q. And ultimately you -- you said the -- I
24 think you testified to the -- the effect that the
25 proxy was kind of shepherded by Alta Mesa

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1 management. Correct?

2 THE DEFENDANTS: Objection; form.

3 Object to form.

4 Object to form.

5 A. I'm not sure I said the proxy. The
6 negotiation were certainly shepherded by Alta Mesa
7 and KFM management.

8 Q. The proxy was ultimately filed by Silver
9 Run II. Right?

10 A. That's --

11 THE DEFENDANTS: Object to form.

12 A. That's correct. They were at the proxy.

[REDACTED]

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[illegible]

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[illegible]

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The diagram consists of a vertical list of 15 items on the left, each represented by a small square. To the right of each square is a horizontal bar of varying length. The bars are colored in a repeating pattern of blue, green, and red. The lengths of the bars vary significantly, with some being very long and others very short.

Item	Color	Length (approx. % of total)
1	Blue	100%
2	Green	85%
3	Red	45%
4	Blue	25%
5	Green	95%
6	Red	65%
7	Blue	15%
8	Green	55%
9	Red	75%
10	Blue	100%
11	Green	65%
12	Red	95%
13	Blue	45%
14	Green	55%
15	Red	35%

17 Q. Do you think it was Bayou City's
18 responsibility to adjudicate the KFM projections?

19 THE DEFENDANTS: Objection to form.
20 Object to form.

21 A. No, as I said before, Bayou City didn't
22 have a role with KFM. We weren't investors in KFM.
23 We didn't sit on the board of KFM. We didn't have
24 any governance of KFM, either before the de-SPAC or
25 after the de-SPAC.

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[illegible]

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5 Q. And is it fair to say you, I guess,
6 communicate much the same message to Mr. Hackett
7 about being frustrated about how things were turning
8 out for KFM?

9 THE DEFENDANTS: Objection; form.
10 Objection to form.

11 A. Yes. I -- I stated that the
12 reforecasting of KFM's projections was news to me.

13 Q. You called it disheartening. Right?

14 A. I did.

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Row	Bar Length (approx. %)
1	90
2	100
3	95
4	96
5	93
6	94
7	94
8	30
9	100
10	100
11	50
12	60
13	40
14	50
15	30
16	50
17	50
18	95
19	94
20	98
21	55
22	60
23	85

Exhibit D

Message

From: Cyndhia Lasso [/O=EXCHANGELABS/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=ECB55CD8F3914813856A7D6F2CB1D5D6-CYNDHIA]
on behalf of William McMullen [/O=EXCHANGELABS/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=92634123CC14477589C0D24273D22C8A-WILL]
Sent: 8/22/2018 5:52:07 PM
To: Cyndhia Lasso [cyndhia@bayoucityenergy.com]; William McMullen [will@bayoucityenergy.com]
Subject: AMR Second Quarter Review
Attachments: AMR 2Q18 Update.pdf

Dear BCE Limited Partner,

[REDACTED]

[REDACTED]

[REDACTED]

Warm regards,
The BCE Team

William W. McMullen | Managing Partner
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